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NEWS ADVISORY

_____United States District Judge James R. Spencer sentenced Clyde E. Austin, Sr., age 46, a former resident of Cary, North Carolina, and Las Vegas, Nevada, to 210 months imprisonment on multiple charges of wire fraud and money laundering. This represented an enhanced sentence because of the large number of people victimized by the pyramid scheme. Judge Spencer remanded Austin to the immediate custody of the United States Marshals Service.

Austin, a former professional basketball player and pastor of churches in Cary, North Carolina, and Las Vegas, Nevada, pled guilty on December 19, 2003, acknowledging his role in an elaborate Ponzi scheme that defrauded more than 1300 victims throughout the country of \$15 million. Following his plea, Austin testified at the trial of his co-defendants, Lamont C. Knight, age 43, a pastor of a local church and also the former President of Athletes for Jesus; Thomas W. Hofler, age 35, a church board member and a home health care executive; and Richard A. Hertz, age 51, also a minister in a local church. All three were convicted on February 18, 2004, following a 5 week jury trial before Judge Spencer.

Austin and his co-defendants promoted an "investment" program involving "high yield trading" financial instruments that paid higher than market rates of return. Many victims invested their retirement funds from their IRA and 401(k) accounts. Each of the defendants profited extensively from the fraudulent scheme.

Knight, Hofler, and Hertz were all previously sentenced on May 26, 2004. Knight received 135 months of imprisonment; Hofler received 108 months of imprisonment; and Hertz was sentenced to 97 months of imprisonment. In addition, all four defendants will be jointly and severally liable for restitution. The restitution amounts will be finalized within 90 days.

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